

AGN. NO. _____

MOTION BY SUPERVISOR DON KNABE

March 21, 2006

In the last year alone, over \$357 million dollars in child care subsidies were issued to low income and CalWORKs families in Los Angeles County. 65% of that annual funding – approximately \$235 million – is issued by the California Department of Education (CDE) through the Stage 2 and Stage 3 childcare programs, yet there are no clear safeguards in place to detect, investigate and prosecute fraud in these programs. This is in stark contrast to the Stage 1 Child Care program, wherein strong measures are in place for the Department of Public Social Services to detect and prevent fraud, in coordination with the District Attorney and the Alternative Payment Providers (APPs).

SB 1421 (Margett) would require that the CDE establish a two-year pilot project in Los Angeles County to investigate potential incidents of fraud in Stage 2 and Stage 3 childcare programs. The pilot project would determine the best methods to identify, investigate, and prosecute potential childcare fraud cases in the second and third stage of CalWORKs child care.

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The bill would further require that CDE submit a report to the Legislature regarding the results of the investigations conducted, along with recommendations that will improve the overall integrity of the CalWORKs childcare program. As this is considered a state-mandated local program, the State would be required to identify funding for such a pilot, and would be primarily responsible for the pilot's design and implementation.

These childcare subsidies are critical supports for families transitioning off of welfare and moving towards self-sufficiency. I believe that we should support implementation of meaningful quality control measures to make sure this money is being spent appropriately, and that potential cheaters are deterred from attempting to commit fraud.

I, THEREFORE MOVE that the Board of Supervisors support SB 1421 (Margett) and instruct the County's Legislative lobbyists in Sacramento to pursue the County's position on this bill.

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